

Amendments to the Remuneration and Nominations Committee' work regulations

Art. No.	Article before Amendment (Current Regulation)	Article After Amendment (The New Regulation)
Art. (1)	<p><u>Preamble:</u></p> <p>1.1. These regulations regulate the formation of the Remuneration and Nominations Committee in the company, the controls and procedures for the committee's work, its tasks, the rules for selecting its members, the duration of their membership, and their remuneration. The company has merged the Remuneration and Nominations Committees into one committee under title of the Remuneration and Nominations Committee in accordance with Paragraph (7) of Article (50) of the Corporate Governance Regulations.</p> <p>1.2. These regulations shall be subject to the provisions of the Companies Law, the Financial Market Law and their executive regulations, the provisions of the company's bylaws, the governance regulations for joint stock companies listed on the Saudi Financial Market, and the company's governance rules, and shall be guided by best practices commensurate with the nature of the company's activity and operations.</p> <p>1.3. The company's executive management shall provide the Board's Directors, non-executive members in particular, and members of the committees with all necessary information, data, documents, and records, provided that they are complete, clear, correct, not misleading, and in a timely manner to enable them to perform their duties and tasks.</p> <p>1.4. the Board Directors, committees' members, and company's senior</p>	<p><u>Reference</u></p> <p>the Remuneration and Nominations Committee' work regulations emanating from the Board of Directors of the Saudi Paper Manufacturing Company" have been prepared in order to comply with Articles (57,61) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 8-16-2017 dated 16/05/1437 H corresponding to 13/02/2017, amended by Capital Market Authority Board Resolution No. 8-5-2023 dated 25/06/1444 H corresponding to 18/01/2023, which requires that "the general assembly of the company's shareholders shall issue - based on a proposal from the Board of Directors "Remuneration and Nominations Committee' work regulations" provided that these regulations shall include the controls and procedures for the committee's work, its tasks, and the rules for selecting its members, the duration of their membership, and their remunerations." The words and expressions contained herein shall have meanings given to them in the relevant Capital Market Authority regulations unless the context requires otherwise.</p>

	<p>executives shall exercise their powers and carry out their duties as required as company's interest.</p> <p>1.5. The company shall observe the rules and regulations and its obligation to disclose essential information to shareholders, creditors, and shareholders.</p> <p>1.6. The Board of Directors shall be responsible for its work, even if it delegates individual committees to exercise some of its powers. In all cases, the Board of Directors may not issue a general or indefinite-term authorization.</p>	
Art. (2)	<p><u>Definitions</u></p> <p>Unless the context of the text requires otherwise, the definitions contained in the Bylaws and the list of terms used in the Capital Market Authority's regulations and rules and the Corporate Governance Regulations shall apply to these regulations. the terms and expressions below in these regulations shall have the meanings given to them:</p> <p>Regulations: the company's Remuneration and Nominations Committee's work Regulations.</p> <p>Company: Saudi Paper Manufacturing Company.</p> <p>Board of Directors or Board: The company's board of directors.</p> <p>The Committee: The Company's Remuneration and Nominations Committee.</p> <p>Senior executives or executive management: people entrusted with managing the company's daily operations and proposing and implementing strategic decisions, such as the CEO, his deputies, and the financial director and executive directors.</p> <p>Executive Member: A member of the Board of Directors who is full-time in the executive</p>	<p><u>Objective:</u></p> <p>The Remuneration and Nominations Committee aims to assist the Board of Directors of the Saudi Paper Manufacturing Company ("the Company") to carry out the following tasks and responsibilities:</p> <ol style="list-style-type: none"> 1. Supervising the remuneration and incentives plan for the company's employees and following up on its process. 2. Supervising administrative succession plans for senior leaders throughout the company. 3. Supervising the nomination process for membership in the board, committees and executive management of the company and ensuring that it is linked with performance. 4. Supervising and ensuring the implementation of the employee grievances policy 5. Managing the process of assessing the performance of Board members, committees, and executive management

	<p>management of the company and participates in its daily business.</p> <p>Non-Executive Member: To manage the company and a member of the Board of Directors who is not full-time and participates in its daily business.</p> <p>Independent Member: A non-executive board member who enjoys complete independence in his position and decisions and does not apply to any of the criteria of independence stipulated in the Corporate Governance Regulations.</p> <p>Remunerations: Amounts, allowances, profits, and the like, periodic or annual remunerations linked to performance, short-term or long-term incentive plans, and any other in-kind benefits, with the exception of actual reasonable costs and expenses incurred by the company on behalf of a member of the Board of Directors or a member of the committee for the purpose of performing his work.</p> <p>General Assembly: The company's general assembly (ordinary or extraordinary).</p> <p>The laws: The financial market regulation, the companies' law and their executive regulations, the company's bylaws, and any relevant instructions or decisions issued by the Capital Market Authority or any regulatory or supervisory authorities.</p> <p>Corporate Governance Regulations: Governance regulations for joint stock companies listed on the market issued by the Board of the Capital Market Authority, pursuant to Resolution No. (8-16-2017) dated 5/1438 H corresponding to 2/13/2017.</p>	
Art. (3)	<p><u>Formation of the Remuneration and Nominations Committee:</u></p>	<p><u>Rules for selecting members of the Remuneration and Nominations Committee, how to nominate them, and the duration of their membership:</u></p>

<p>3.1. The Remuneration and Nominations Committee shall be formed by a decision of the Board of Directors from members other than the executive members of the Board of Directors, provided that at least one of them shall be an independent member, and the number of members of the Committee shall not be less than three and not more than five. The term of their membership shall be specified in the resolution, provided that the term of membership of the Board shall not exceed the term of Board in accordance with the rules. And the membership conditions set forth herein.</p> <p>2.3. Upon a proposal by the Board of Directors, the company's General Assembly shall issue regulations for the work of the Remuneration and Nominations Committee, provided that such regulation shall include the controls and procedures for the committee's work, the rules for selecting its members, the duration of their membership, and their remunerations.</p>	<ol style="list-style-type: none"> 1. The Remuneration and Nominations Committee shall be formed by a decision of the Board of Directors for four years starting with the beginning the Company's Board term of and its members term ends with the end of Company's Board of Directors term. 2. The membership of the committee should consist of at least three members and its membership should not exceed five, provided that its members are independent members of the Board of Directors, with the possibility of appointing external experts to the membership of the committee, whether they are shareholders or others, provided that among its members is at least one independent member from Members of the company's board of directors. 3. Committee members should have appropriate experience and qualifications related to the committee's tasks, responsibilities, and the nature of its work. 4. The Board of Directors shall appoint one of its members as Committee Chairman, provided that he should be an independent member. If this appointment is not made by the Board, the members of the Committee choose from among themselves a Chairman of the Committee, provided that he is an independent member of the Board of Directors. The Chairman of the Board of Directors may not hold the position of Committee Chairman. 5. Membership in the Remuneration and Nominations Committee shall end in one of the following cases: <ol style="list-style-type: none"> a. A decision is issued by the Board of Directors to dismiss/or replace any/or all members of the committee at any time it deems appropriate. b. The resignation of a committee member by notification to the committee
--	---

		<p>chairman and secretary. The resignation shall be effective from the date specified in the notification.</p> <ul style="list-style-type: none"> c. Be incapable or physically disable preventing so he cannot perform his duties on the committee. d. not attending three consecutive meetings or five separate meetings of the committee during the term of his membership without a legitimate excuse accepted by the Board of Directors. e. Losing at any time any of the requirements for membership in the committee established by law or in accordance with these regulations. f. If a committee member office becomes vacant for any of the aforementioned reasons or any other, the Board of Directors may appoint a member to fill the vacant position, provided that he should have experience and competence, however, the Authority shall be notified within the statutory period from the date of the appointment. g. The company shall notify the Authority of the names of the committee members and their membership offices upon their appointment and any changes occur within the statutory period specified by the Corporate Governance Regulations issued by the Authority.
Art. (4)	<p><u>Purpose and reference of the Remuneration and Nominations Committee:</u></p> <p>1. The Remuneration and Nominations Committee shall assist the Board of Directors in performing its duties and carrying out its responsibilities related to the powers, tasks and responsibilities in accordance with regulations set forth</p>	<p><u>Duties and powers of the committee and its chairman:</u></p> <p>1. Powers and duties of the committee:</p> <p>The committee shall undertake the duties and powers related to three aspects: remuneration, nominations, and governance. In addition, it shall be responsible for submitting reports on its activities to</p>

	<p>herein, or those referred thereto by the Board of Directors. The Remuneration and Nominations Committee shall be subject to the Board of Directors, which shall be responsible for its work without prejudice to the Board's responsibility for those matters. Works and the powers or authorities delegated to thereto.</p> <p>2. The committee shall inform the Board of Directors of the results it reaches or takes in a transparent manner, and present its minutes containing the results of its work, decisions, recommendations, directions, and any reports issued thereby to the Board of Directors on a periodic basis. The Board of Directors shall follow up the committee's work regularly to verify that it is carrying out the work entrusted thereto.</p>	<p>the Board on a periodic basis. The following shall be the duties and powers of the committee:</p> <p>a. With regard to remunerations:</p> <ol style="list-style-type: none"> 1. To set a clear policy for remuneration for the Board of Directors members and the committees emanating from the Board and Executive Management that enhances the motivation of the administrative team and maintain distinguished cadres, and submit it to the Board of Directors for consideration to be approved by the General Assembly, provided that such policy should follow and disclosure the standards related to performance and ensuring their implementation. 2. To clarify the relationship between the remuneration granted and the applicable remuneration policy, and to indicate any material deviation from such policy. 3. To periodically review the remuneration policy and evaluate its effectiveness in achieving its intended objectives. 4. To recommend to the Board of Directors the remuneration of members of the Board of Directors, its committees, and the company's senior executives in accordance with the approved policy. 5. To review the CEO's financial remuneration, including long- and short-term incentives, in addition to setting ceiling for the results expected to be achieved by the CEO, and submitting recommendations thereon to the Board of Directors. 6. To review and approve the CEO's recommendations on general guidelines and standards for financial compensation and other benefits for senior executives which the CEO will implement in light of the established policy set forth in Paragraph (1) of (A) above.
--	---	--

		<p>b. With regard to nominations</p> <ol style="list-style-type: none"> 1. To propose clear policies and standards for membership in the Board of Directors, executive management and company representatives in subsidiaries. 2. To recommend to the Board of Directors to nominate and re-nominate members in accordance with the approved policies and standards, taking into account not to nominate anyone who has previously been convicted of a crime involving breach of trust. 3. To annually review the necessary skills or experience requirements for Board of Directors membership and executive management offices, and to prepare a description of the capabilities and qualifications required for Board of Directors membership and executive management offices. 4. To determine the time that a member must allocate to the work of the Board of Directors. 5. To review the structure of the Board of Directors, committees and executive management and making recommendations regarding changes to be made. 6. To develop job descriptions for executive members, non-executive members, independent members and senior executives. 7. To establish special procedures in the event of a vacant office within the membership of the Board of Directors or senior executives. 8. To identify the weaknesses and strengths of the Board of Directors, and propose solutions to address them in a manner consistent with the company's interest by: <ol style="list-style-type: none"> a. To propose the necessary mechanisms to annually evaluate the performance of
--	--	---

		<p>the Council, its members, committees, and executive management; This is done through appropriate performance measurement indicators linked to the extent of achieving the company's strategic objectives, the quality of risk management, the adequacy of internal control systems, etc., provided that the strengths and weaknesses are identified and a proposal to address them is consistent with the company's interest.</p> <p>b. To assist the Council in its responsibility to make the necessary arrangements to obtain an evaluation of its performance from a competent third party every three years and to supervise the evaluation process.</p> <p>9. To review the remuneration of the Board committees and recommend any amendments thereto and present them to the Board for approval. The committee may also submit its recommendations to the Board in the event that one of the membership office in any of the Board committees becomes vacant by appointing new members when needed.</p> <p>10. To annually verify the independence of independent members, and to verify that there are no conflicts of interest if the member holds a membership in the board of directors of another company.</p> <p>11. To study and review the CEO's recommendations regarding the appointment and termination of senior executives</p> <p>12. To study and review administrative succession or job succession plans for the company in general and for the Board, the CEO and senior executives in particular.</p> <p>13. To provide an appropriate level of training and familiarization to new members of the</p>
--	--	--

		<p>Board, committees and executive management about the company's tasks, business progress, activities, strategies, objectives, financial and operational aspects and achievements, enabling them to perform their work with the required efficiency, in addition to familiarizing them with the obligations of members of the Board of Directors, their tasks, responsibilities, and rights, and the tasks and competencies of the company's committees.</p> <p>14. To develop the necessary mechanisms for each member of the Board of Directors and Executive Management to obtain training programs and courses on an ongoing basis for the purpose of developing their skills and knowledge in areas related to the company's activities.</p> <p>c. With regards to governance</p> <ol style="list-style-type: none"> 1. To verify the company's compliance with the corporate governance rules issued by the Capital Market Authority and the company's governance manual and policies. 2. To review the governance guide and rules and update thereof in accordance with regulatory requirements and best practices. 3. To review and develop the rules of professional conduct that represent the company's values, and other internal policies and procedures to meet the company's needs and consist with best practices. 4. To keep members of the Board of Directors informed of developments in the field of corporate governance and best practices. 5. To follow up on any issues related to governance applications, and periodically provide the Board of Directors with the reports and recommendations it reaches
--	--	---

		<p>d. Other duties and responsibilities:</p> <ol style="list-style-type: none"> 1. To assist the Board of Directors in developing and reviewing the company's organizational structure and the operational model that regulates the relationship between the parent company and its subsidiaries. 2. To control the implementation of the employee grievances <p>e. Powers and duties of the Chairman of the Committee</p> <ol style="list-style-type: none"> 1. To manage and chair the committee's meetings and work to enhance its effectiveness. In the event that the committee chairman is unable to attend, he may delegate one of its members to chair the specific session. 2. To attend general assemblies to answer shareholders' questions related to the work of the committee, and he may delegate one of the committee members on his behalf. 3. To send an invitation to attend committee meetings in writing sufficiently before the meeting date. 4. To share the meeting's agenda with committee members and ensure that sufficient time is available to discuss agenda items committee meeting. 5. To ensure that the members of the committee are provided with the necessary presentations, documents, and sufficient information regarding the topics presented to them sufficiently before the meeting date to enable the committee to take decisions regarding them. 6. To submit periodic reports to follow up on the committee's work, performance, activities, recommendations, and findings
--	--	--

		<p>to the Board of Directors. The report can be written or oral.</p> <p>7. The Chairman of the Committee may delegate any of the above powers to one of the Committee members or its secretary.</p>
Art. (5)	<p><u>Rules and conditions for Board membership, the secretariat of the Committee and its term:</u></p> <ol style="list-style-type: none"> 1. By a decision of the Board of Directors, the number of members of the committee shall not be less than three and not more than five members. The decision shall specify the number of members of the committee and name its chairman and members. 2. When forming the Remuneration and Nominations Committee, the company takes into account that its members to be independent members of the Board of Directors. It is possible to seek assistance from non-executive members or persons who are not members of the Board, whether they are shareholders or others. A member of the committee may not be any of the executive members of the Board of Directors or anyone else. Senior executives in the company or in companies controlled by the company. 3. The committee chairman shall be an independent member of the Board of Directors. 4. The Chairman of the Board of Directors may not be the Chairman of the Committee, but he may be a member therein 5. The term of membership of the committee shall be in accordance with provisions determined by the decision of the Board of Directors upon its formation, provided that it does not exceed the 	<p><u>The committee's most prominent powers</u></p> <ol style="list-style-type: none"> 1. Right to investigate any matter that falls within its powers and duties, or any topic specifically requested by the board. 2. Right to seek legal and technical advice from any external party or any other independent advisory body whenever this is necessary to assist the committee in performing its tasks. 3. The committee has the right to review all data, information and records related to the company's remunerations and compensation, and to review the administrative succession reports of executives. 4. The committee has the right to form a work team emanating therefrom for any purpose it deems appropriate and achieves its goals. It is also entitled to grant the work team emanating therefrom some of its powers and authorities whenever it deems appropriate, provided that the number of members of any work team emanating from such committee shall not be less than two members. 5. The company shall bear any costs necessary for the committee to carry out its work

	<p>term of that Board session, taking into account cases of expiration of the membership of any member during the period, in accordance with regulations set forth herein.</p> <p>6. The committee shall appoint a secretary from among its members, the secretary of the board, the company's management team, or others, in order to follow up on the affairs of the committee, including coordination and preparation for meetings and the work of the committee, documenting its meetings, preparing its minutes, and following up on its decisions, recommendations, and directives with the executive management, and anything related to the work of the committee. The decision shall specify the term of his appointment and remuneration.</p>	
Art. (6)	<p><u>Expiry of membership in the Remuneration and Nominations Committee and appointment of a replacement:</u></p> <p>Membership in the Remuneration and Nominations Committee shall end in the following cases:</p> <ol style="list-style-type: none"> 1. The term of the committee expires in accordance with the provision hereunder stated. 2. Resignation from committee membership, with explaining the reasons, shall be submitted to the Chairman of the Committee or the Chairman of the Board of Directors and presented to the Board of Directors for decision. 3. Removal by the Board of Directors of any member from committee membership after consulting other members and stating the reasons, or 	<p><u>Committee meetings, controls and work procedures:</u></p> <ol style="list-style-type: none"> 1. Upon an invitation from the Committee's Chairman or one of its members. the committee shall meet at least twice during the year at the company's main office or in any other place. Committee meetings may be held by conference call. The committee may also hold exceptional or emergency meetings as required by the interest of the work. 2. A committee member may participate in committee meetings by conference call, and in this case his participation shall be considered as having attended in person, in the event that he is unable to attend in person for any emergency reason. 3. The quorum for the committee meeting shall be achieved by presence of the majority of its members. 4. The committee member (who is actually present) may not represent more than one member in

	<p>due to violation of the rules and conditions of membership or the duties and responsibilities of the member in accordance with the provision hereunder stated.</p> <p>4. When the membership of any of the committee members expires for any reason, the Board of Directors may appoint another member to replace the outgoing member to complete the remaining term of his predecessor.</p>	<p>attending the same meeting. In the event that the committee chairman is unable to attend, he has the right to delegate one of its members to chair that session. In the event that the committee chairman does not delegate someone to chair the meeting, the committee members choose Among them is someone who chairs the meeting.</p> <p>5. The committee's decisions shall be issued by a majority of the opinions of the members present, and when the votes are equal, the opinion voted for by the committee chairman shall prevail.</p> <p>6. Only members of the Committee are entitled to attend its meetings. However, non-Committee members, including the executive management team, directors, employees, or observers, may attend all or part of the meetings upon a request or invitation from the Committee in order to provide it with the necessary information.</p> <p>1. The Secretary of the Committee shall prepare a draft of the minutes of the Committee meeting (including a statement of the names of the present and absent members, the place of the meeting, its date, the start and end times, in addition to the discussions, deliberations and decisions that took place) and send it to the Chairman and members of the Committee within seven days from the date of the meeting for review and make any comments on it (if any) within seven days from the date of sending it via e-mail. In the event that no comments are received, this shall be considered an acknowledgment of approval of it. The minutes shall be then signed by the chairman of the committee, its secretary, and all the members present. The signature can be passed by scrolling if necessary. It is permissible to use modern technological means to sign, document deliberations and decisions, and record minutes. such minutes shall be kept among the company's important documents.</p>
--	---	---

		<p>2. A committee member has the right to object to any decision taken by the committee, provided that his objection should be clearly stated in the minutes of the meeting, along with a statement of the reasons for his objection. His absence from attending the meeting in which the decision is issued is not a reason to discharge him of liability, unless it is proven that he was not aware of the decision or was unable to object to it immediately after learning of it.</p>
Art. (7)	<p><u>responsibilities, duties, and liability of the Remuneration and Nominations Committee:</u></p> <p>The Remuneration and Nominations Committee shall be responsible for the duties related to the remuneration of Board members, the committees emanating thereof, the remuneration of executive management, and nominations for membership in the Board and Executive Management as set forth below, in addition to any other duties and responsibilities referred thereto or assigned to it by the Board of Directors:</p> <p>(1) With regard to remunerations</p> <ol style="list-style-type: none"> 1. To prepare a clear remuneration policy and submit it to the Board of Directors for consideration in preparation for its approval by the company's General Assembly, provided that this policy takes into account following standards related to performance, disclosing them, and verifying their implementation provided that it shall include: <ol style="list-style-type: none"> 1.1. Board members' remuneration. 1.2. Remuneration of committees emanating from the Board of Directors. 1.3. Executive management remuneration. 	<p><u>Secretary</u></p> <p>The Committee shall choose the Secretary of the Board as its Secretary or from among its members or from the Company's employees, provided that he does not have the right to vote on its decisions (if he is not one of its members). He shall be responsible for preparing for the Committee's meetings and activities, preparing and documenting its minutes, following up on the implementation of its recommendations, directives and decisions, and preserving the documents, records, and reports presented to or issued by the committee, communication between its members, and other administrative and logistical procedures. He also carries out the administrative duties related to nomination for board membership in cooperation with the company's governance department or the board secretariat. The committee shall determine his remuneration and the method of disbursing according to policies applicable in this regard.</p>

	<ol style="list-style-type: none"> 2. To clarify the relationship between the remuneration granted and the applicable remuneration policy, and to indicate any material deviation from this policy. 3. To periodically review the remuneration policy and evaluate its effectiveness in achieving the desired goals. 4. To recommend to the Board of Directors, in accordance with the policy approved by the General Assembly, the following: <ol style="list-style-type: none"> 4.1. Board members' remuneration. 4.2. Remuneration of committees emanating from the Board of Directors. 4.3. Senior executives' remuneration. <p>(2) With regard to nominations for membership in the Board of Directors and Executive Management:</p> <ol style="list-style-type: none"> 1. To propose clear policies and standards for membership in the Board of Directors and Executive Management. 2. To recommend to the Board of Directors to nominate members and re-nominate them in accordance with the approved standards, taking into account not to nominate any person who has previously been convicted of a crime involving breach of trust. 3. To prepare a description of the capabilities and qualifications required for membership in the Board of Directors and to fill executive management positions. 4. To determine the time that a member must devote to the work of the Board of Directors. 5. To annually review the necessary skills or experience needed for membership in 	
--	---	--

	<p>the Board of Directors and executive management functions.</p> <ol style="list-style-type: none"> 6. To review the structure of the Board of Directors and executive management and provide recommendations regarding changes that can be made. 7. To verify annually the independence of independent members and the absence of any conflict of interest if the member serves on the board of directors of another company. 8. To develop job descriptions for executive members, non-executive members, independent members and senior executives. 9. To establish special procedures in the event that the position of a member of the Board of Directors or senior executives becomes vacant. 10. To identify the weaknesses and strengths of the Board of Directors and propose solutions to address them in a way that is consistent with the company's interest. 	
Art (8)	<p><u>Remunerations Policies</u></p> <p>Without prejudice to the Companies Law, the Financial Market Law and their executive regulations, the following shall be considered upon preparing the remuneration policy:</p> <ol style="list-style-type: none"> 1. To be in consist with company's strategy and objectives. 2. To provide remunerations for the purpose of urging members of the Board of Directors and Executive Management to make the company successful and develop it in the long term, such as linking the variable part of the remunerations to long-term performance. 	<p><u>Committee's Business Confidentiality:</u></p> <p>Committee members shall maintain the confidential information made available to them and the documents they see related to the company and its activities and not disclose them to any person or third party. They may not, under any circumstances, even if their membership expires, use the confidential information they know by virtue of their membership to achieve an interest for themselves, for one of their relatives, or for others, otherwise, they shall be removed. This also applies to the Secretary of the Committee.</p>

	<ol style="list-style-type: none"> 3. Remunerations should be determined based on the level of the job, the tasks and responsibilities assigned to its occupant, academic qualifications, practical experience, skills and level of performance. 4. To be in consist with the size, nature and degree of risks of the company. 5. To consider the practices of other companies in determining rewards, while avoiding what may result from an unjustified increase in rewards and compensation. 6. To aim to attract, retain and motivate professional competencies, without exaggerating them. 7. The committee shall determine the remuneration for new appointments. 8. Cases of stopping the payment of remuneration or recovering it if it turns out that it was decided based on inaccurate information provided by a member of the Board of Directors or Executive Management, in order to prevent the member from exploiting the position to obtain undeserved rewards. 9. To regulate the granting of shares in the company to members of the Board of Directors and executive management, whether they are a new issue or purchased by the company. 	
Art. (9)	<p><u>Company's Employees Remunerations</u></p> <p>Subject to Article (8) herein, the committee shall study determining the types of remunerations granted to the company's employees, such as fixed remunerations, performance-related remunerations, and remunerations in the form of shares, in a way that does not conflict with the regulatory controls and procedures issued by</p>	<p><u>Committee members' remuneration</u></p> <ol style="list-style-type: none"> 1. The annual remuneration for committee members shall be determined based on the policy established by the Board of Directors and in accordance with the company's bylaws, the decisions of the General Assembly of Shareholders, and the relevant regulations and laws.

	virtue of the Companies Law for listed joint-stock companies.	<ol style="list-style-type: none"> The remuneration for committee members shall be a lump sum in addition to an attendance allowance for sessions and any other benefits stated in the remuneration policy established by the Board of Directors for its members, committee members and executive management, and they shall be disbursed in accordance with the controls contained in that policy. The company is committed to covering transportation, housing, and any other expenses to enable the member to attend meetings and participate in committee activities related to its duties.
Art. (10)	<p><u>Procedures for the committee's nomination of Board members:</u></p> <ol style="list-style-type: none"> When nominating members of the Board of Directors, the Remuneration and Nominations Committee shall take into account the terms and conditions set forth herein and the corporate governance regulations, and the requirements, policies, standards and procedures for approved membership decided by the Capital Market Authority. The Committee shall seek, as much as possible, that the number of candidates for the Board of Directors whose names are presented to the General Assembly exceed the number of available seats so that the General Assembly has the opportunity to choose from among the candidates. 	<p><u>Final provisions (publication and amendment):</u></p> <ol style="list-style-type: none"> This policy shall be applied and adhered to by the company as of the date of its approval by the General Assembly of Shareholders. This policy shall be published on the company's website to enable shareholders, the public and stakeholders to view it. This policy shall be reviewed periodically - when needed - by the Remuneration and Nominations Committee. Any amendments proposed by the committee shall be presented to the Board of Directors, which in turn shall study and review the proposed amendments and recommend them to the General Assembly of Shareholders for approval.
Art. (11)	<p><u>Publishing the nomination announcement:</u></p> <p>The company shall publish the nomination announcement on the company's website, the market's website, and in any other means determined by the Authority, in order to invite interested persons within a period of at least one</p>	Delete Article

	month to nominate for membership to the Board of Directors, provided that the nomination shall remain open for at least one month from the date of the announcement.	
Art. (12)	<p><u>Shareholders' right to nominate:</u></p> <p>Each shareholder in the company has the right to nominate himself or others for membership in the Board of Directors in accordance with the provisions of the Companies Law and its executive regulations, without prejudice provisions set forth in the Corporate Governance Regulations.</p>	Delete Article
Art. (13)	<p><u>Appointing senior executives and determining their rewards:</u></p> <p>The committee shall study the nomination and appointment of senior executives and determines their remuneration and any subsequent proposed amendments thereto in coordination with the Managing Director and CEO, and submits its recommendations to the Board of Directors, in accordance with provisions set forth herein, rules and policies approved by the company. The Board of Directors may take what it deems appropriate.</p>	Delete Article
Art.(14)	<p><u>Assessing the performance of the Board and Executive Management:</u></p> <p>Upon a request by Board of Directors, the Remuneration and Nominations Committee shall propose the required mechanisms to assess the Board's performance its members, committees, and executive management annually, through appropriate performance measurement indicators linked to the extent of achieving the company's strategic objectives, the quality of risk management, the adequacy of internal control systems, and others, provided that the strengths are identified. Weaknesses and a proposal to address them in accordance with the interest of the company. Performance</p>	Delete Article

	assessment procedures shall be written and clear	
Art. (15)	<p><u>Nominating representatives of the company on the boards of directors and permanent committees of subsidiaries, associates, and companies in which the company invests:</u></p> <ol style="list-style-type: none"> 1. The committee shall propose policies and procedures for nominating and appointing company representatives to membership in the boards of directors and permanent committees in subsidiaries, associates and other companies in which the company invests. 2. The committee shall study the nomination and appointment of the company's representatives to the membership of the boards of directors and permanent committees of the subsidiaries, associates, and other companies in which the company invests, in coordination with the executive management, and submit its recommendations regarding the candidates to the board of directors for decision, in accordance with what is stated in these regulations, the system, and the regulations and policies approved in the relevant company. 	Delete Article
Art. (16)	<p><u>Powers of the Remuneration and Nominations Committee:</u></p> <p>In addition to any powers granted hereunder to the Remuneration and Nominations Committee, and any powers or authorization to make decisions granted to it by the Board of Directors, in order to carry out its duties, powers and duties, the Committee has the right to the following:</p> <ol style="list-style-type: none"> 1. To view the records and documents related to its work. 	Delete Article

	<ol style="list-style-type: none"> 2. To request any clarification, information or data from members of the Board of Directors or Executive Management. 3. To request a meeting with the Chairman of the Board, the Chairman of the Audit Committee, the Managing Director, the CEO, the Chief Financial Officer, or any of the managers in the executive management whenever necessary. The Committee may request the Chairman of the Board to invite the Board to meet whenever necessary. 4. To form one or more specialized committees or a work team that includes any of the members of the committee, the company's management, or other consultants or specialists to perform a specific task or tasks, and its term ends with the completion of its work or according to what the committee decides. The committee submits the recommendation for their remuneration to the Board of Directors for approval, taking into account what is stated in Article (17) of these regulations 	
Art. (17)	<p><u>Assistance and advice:</u></p> <p>In order to carry out its duties and responsibilities, the Remuneration and Nominations Committee shall seek advice from whomever it deems appropriate from within or outside the company as follows:</p> <ol style="list-style-type: none"> 1. The company shall provide all administrative services necessary for the committee to carry out its tasks and responsibilities. 2. The Remuneration and Nominations Committee may seek the assistance of any member of the Board of Directors, the Executive Management, or any of the company's employees, or any of the 	Delete Article

	<p>consulting offices associated with agreements with the company. It may also assign or seek the assistance of individual experts and specialists, or advisory or specialized bodies for the purpose of obtaining advice or advice. Assistance, advice, or conducting studies, auditing, or examining records in any matter it needs regarding these regulations. The committee shall submit the recommendation for their remunerations to a Board that falls within the scope of its work, according to the administration, for approval, provided that this is included in the minutes of the committee meeting, along with a statement of the name of the expert, consultant, or specialist. And his relationship with the company and executive management.</p> <p>3. The committee shall confirm and ensure with whomever is sought assistance in accordance with the provisions of Paragraph (2) of this Article the necessity of adhering to maintaining the confidentiality of information and data relating to the company, its employees and its relationships, and not broadcasting or using it for purposes other than those specified for it.</p>	
Art. (18)	<p><u>Committee meetings, recommendations and decisions:</u></p> <p>1. The committee shall hold its meetings periodically and whenever necessary, provided that no less than two meetings shall be held during one fiscal year.</p> <p>2. The committee shall hold its meetings at the invitation of its chairman or through the secretary of the committee in coordination with the chairman and members of the committee, or at the request of two of its members. The</p>	Delete Article

	<p>Chairman of the Board of Directors or the Board of Directors may request that a meeting of the Committee be held whenever the need arises. The company's auditor or internal auditor may also Request a meeting with the committee whenever necessary. The Managing Director and CEO, CFO, or Human Resources Director may request a meeting with the committee whenever necessary.</p> <ol style="list-style-type: none"> 3. When determining the dates of its meetings, the Committee shall take into account the dates of the Board of Directors meetings as much as possible so that it can present its recommendations, the results of its work, decisions, reports and recommendations to the Board for decision in a timely manner, especially when there are fundamental matters that the company is obligated to disclose in accordance with the law. 4. In the event that the Chairman of the Committee is unable to attend any meeting, he may authorize one of its members to chair the specific meeting, and in the event of his emergency absence and the impossibility of delegation, the other members choose from among them the chair of the specific meeting. 5. The validity of the committee's meetings requires the attendance of the majority of its members. 6. A committee member may not delegate other members or others to attend committee meetings or vote on its decisions and recommendations. 7. No member of the Board of Directors or Executive Management other than the Secretary of the Committee has the right 	
--	---	--

	<p>to attend its meetings unless the Committee requests that a report be submitted to it, or information or data be presented, or his opinion be heard, or his advice be heard. The Committee may invite whomever it deems appropriate to attend any of its meetings or part of them.</p> <p>8. The Committee may hold its meetings by means of modern technology (whether by audio or video telephone or any other means agreed upon by the members), and the member may also prove his attendance at any of the Committee meetings by participating in audio or video telephone or any other acceptable means, when necessary. With the approval of the other members, the same applies to the validity of these meetings and the validity of any member's participation as applies to attendance in person in terms of the quorum for holding the meetings, voting, and approving its minutes and decisions.</p> <p>9. The committee's decisions, recommendations, and directives shall be issued by a majority of the votes of those present. If the votes are equal, the side with which the chairperson of the meeting voted shall prevail. A member of the committee may not abstain from voting on its decisions or recommendations except in cases where he has a direct or indirect interest in those recommendations or decisions in accordance with paragraph (paragraph) 5) of Article (20) of these regulations.</p> <p>10. In urgent cases, the committee may issue its decisions, recommendations, directives, and reports by passing them to all members separately by email or any other appropriate means in which</p>	
--	---	--

	the decision can be documented in writing, provided that they are presented at the first subsequent meeting and included in the minutes of that meeting.	
Art. (19)	<p><u>Documentation of committee meetings:</u></p> <p>The committee secretary shall document the committee meetings as follows:</p> <ol style="list-style-type: none"> 1. To prepare a draft of minutes for each meeting, recording the date and time of its start and end, its place, the means of holding the meeting, the members present and absent, non-members who attended the meeting, and the agenda. 2. The meeting minutes shall include a comprehensive summary of the discussions and deliberations that took place and the decisions, recommendations or directives reached, along with a statement of any reservations, if any, for any of the members present. Such minutes shall be signed by all the members present and the secretary. 3. To send a draft of the each meeting minutes to the Chairman and members of the committee to review them and make any observations before approving and documenting them. 4. To organize the minutes, documents and correspondence of each meeting and keep them in a special file easy to refer to when needed. 5. To prepare a special and organized record of the committee's meetings showing the date and place of each meeting, the names of those present and absent, and non-members who attended the meeting. 	Delete Article

	<p>6. The minutes and documents of the committee's meetings shall be confidential and may only be viewed or obtained a copy of by members of the Board of Directors, the company's auditor, and the internal auditor, otherwise, it shall be upon the request and approval of the committee.</p>	
Art. (20)	<p><u>Committee member duties and responsibilities:</u></p> <p>In order to carry out his duties in the committee in accordance with the provisions of these regulations, each member of the Remuneration and Nominations Committee shall:</p> <ol style="list-style-type: none"> 1. Attend the committee's meetings regularly and participate effectively in its work, and the member who occurs that requires his absence or non-participation in any meeting shall notify the committee chairman or secretary such occurrence. 2. maintain the company's secrets. A member of the committee may not disclose to shareholders or others any information, data, or company secrets that he has come to know because of his membership in the committee, otherwise, the Board of Directors shall remove him, in addition to holding him accountable for compensation for any damage that may arise therefor. 3. The chairman and members of the committee shall comply with the principles of honesty, trustworthiness, loyalty, care, and concern for the interests of the company and shareholders and put them ahead of his personal interests. 4. disclose to the committee if his membership does not comply with the rules and conditions of membership in these regulations or the law, or if 	<p>Delete Article</p>

	<p>something happens in the future that conflicts with those terms and controls.</p> <ol style="list-style-type: none"> 5. To disclose to the committee any direct or indirect interest he has in the issues presented before the committee or any business and contracts carried out on behalf of the company in which he has a direct or indirect interest, and to record that in the minutes of the meeting. He is not permitted to participate in any decision or recommendation in this regard in accordance with the system. 6. The Chairman of the Committee or a representative of its members must be present at the company's general assemblies to answer shareholders' questions. 7. In all cases, the same duties and responsibilities apply to a member of the Board of Directors in accordance with the law and the company's internal regulations. 	
Art.(21)	<p><u>Remuneration and allowances policy for members of the Remuneration and Nominations Committee and the Secretary:</u></p> <ol style="list-style-type: none"> 1. An annual remuneration of: (S.R 120,000) (Saudi Riyals: one hundred and twenty thousand) for each member of the committee, provided that the entitlement to this remuneration shall be proportional to the number of meetings that the member attends during the year. 2. Annual remuneration shall be calculated from the date of appointment of each committee member. 3. An attendance allowance for each of the committee's meetings shall be an 	Delete Article

	<p>amount of (\$R 3000) (Saudi Riyals: three thousand) for each member of the committee.</p> <ol style="list-style-type: none"> 4. The company shall book flight tickets for committee members, and it cannot be replaced with financial compensation if it is not used. 5. The company shall bear the accommodation and transportation expenses for any member of the committee to attend in person any of the committee's meetings from his city of residence to the city in which the meeting is held within the Kingdom if he resides in another city within the Kingdom, up to a maximum of (\$R 1,500) (Saudi Riyals: one thousand five hundred for one meeting and one night). Such compensation may not be replaced with a financial remuneration if it is not used. 6. The committee shall define the remuneration of the committee secretary upon the committee's appointment decision and submit the recommendation to the Board of Directors for approval. The company shall cover his expenses for travel tickets, transportation, accommodation, etc., if necessary, in everything related to the committee's affairs. The committee shall assess his performance at least annually and submit a recommendation for any amendment to his remuneration to the Board of Directors for approval. the Board may authorize the committee to define his remuneration. 7. Remuneration, attendance allowances, and other allowances shall be paid as above at the end of the fiscal year, except if the membership of any of the committee members expires before the end of the fiscal year, then they shall be 	
--	---	--

	paid upon the expiration of his membership, and this applies to the secretary of the committee.	
Art.(22)	<p><u>The Committee's exercise of the duties of other committees:</u></p> <p>The Board of Directors may assign the Remuneration and Nominations Committee to exercise the duties or any of them stipulated in the terms of reference of the guiding committees (the Risk Committee or the Governance Committee) contained in the Corporate Governance Regulations, in cases where the Board deems not to form any of these committees. The assignment of the committee shall be by a decision issued by The Board in which determines the duties, the duration of the assignment, and any other relevant instructions, provided that the committee shall cease to exercise any such duties of those committees when the Board forms any of those committees and determines their duties.</p>	Delete Article
Art.(23)	<p><u>Disclosures:</u></p> <p>In addition to the provisions contained herein and any other disclosures in accordance with the law:</p> <ol style="list-style-type: none"> 1. The company shall disclose in the annual report to the Board of Directors the names of the Chairman and members of the committee, the membership office of each member, any change occurred during the fiscal year, the number and dates of its meetings, attendance members information for each meeting during the fiscal year in accordance with the law. 2. The company shall disclose in the annual report to the Board of Directors the remunerations and compensation received by committee members in accordance with the law. 	Delete Article

	<p>3. The company shall notify the competent department at the Capital Market Authority of the names of the committee members and their membership positions within five working days from the date of their appointment, and any changes occurred within five working days from the date of the changes occurring.</p> <p>4. The company shall disclose any other information related to the committee that the Capital Market Authority may request from time to time.</p>	
Art.(24)	<p><u>Reviewing the committee's work regulation:</u></p> <p>The Remuneration and Nominations Committee shall review the committee's work regulations at least once a year or when necessary with the aim of continuous improvement and development and a commitment to keeping pace with any changes or amendments to the law or any related instructions.</p>	Delete Article
Art.(25)	<p><u>General Provisions :</u></p> <p>1. These regulations may not be amended except by a decision, proposal, or recommendation from the Board of Directors submitted to the General Assembly for approval.</p> <p>2. The Board of Directors has the right to interpret or clarify the provisions contained herein.</p> <p>3. The Board of Directors shall supervise the implementation of provisions herein. the Chairman and members of the Audit Committee shall implement the provision stated therein.</p> <p>4. These regulations shall not be considered an alternative to the provisions of the law and its executive regulations. unless a text is provided in</p>	Delete Article

	<p>this regard, reference is made to the law. If there is any conflict between it or any paragraph or any article herein and the law, the provisions of the law shall prevail and the other paragraphs and articles remain in application.</p> <p>5. The company may publish this regulation or a summary thereof on its website or through any other means.</p> <p>6. Any shareholder has the right to view these regulations at the company's offices in prior coordination with the company's management if they are not published on the company's website.</p> <p>7. The Board of Directors will review this regulation, when necessary, with the aim of continuous development and improvement and to keep pace with any amendments that may occur to the system to reach the best professional practices.</p> <p>8. These regulations shall be effective from the date of their approval by the company's general assembly.</p>	
--	--	--

Amendments to remuneration Regulation of Board of Directors, its committees, and the executive management

Art. No.	Article before Amendment (Current Regulation)	Article After Amendment (The New Regulation)
Art. (1)	<p>Preamble:</p> <ol style="list-style-type: none"> 1. This document sets out the remuneration policy for Board members and the committees emanating from the Board and Executive Management in accordance with Paragraph (1) of Article 61 of the Corporate Governance Regulations. 2. This document shall be subject to the provisions of the Companies Law, the Financial Market Law and their executive regulations, the provisions of the company's bylaws, the governance regulations for joint stock companies listed on the Saudi financial market, and the company's governance rules, and is guided by best practices commensurate with the nature of the company's activity and operations. 3. The company's executive management shall provide the Board of Directors, non-executive members in particular, and members of the committees with all necessary information, data, documents, and records, provided that they are complete, clear, correct, not misleading, and in a timely manner to enable them to perform their duties and tasks. 4. the Board Directors, committees' members, and company's senior executives shall exercise their powers 	<p>Reference:</p> <p>The "Remuneration Policy for the Board of Directors, its Committees, and Executive Management" at the Saudi Paper Manufacturing Company (the Company) has been prepared with the aim of complying with Paragraph (1) of Article (58) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 1438 5/16 H corresponding to 13/02/2017, amended by CMA Board Resolution No. 5-8-2023 dated 25/06/1444 H corresponding to 18/01/2023, which stipulated that (the Board of Directors) shall " Prepare clear and specific policies, standards and procedures for membership in the Board - in a way that does not conflict with the mandatory provisions in the Corporate Governance Regulations - and putting them into effect after approval by the General Assembly."</p>

	<p>and carry out their duties as required as company's interest.</p> <p>5. The Board of Directors shall be responsible for its work, even if it delegates individual committees to exercise some of its powers. In all cases, the Board of Directors may not issue a general or indefinite-term authorization</p>	
--	---	--

Art. (2)	<p><u>Definitions:</u></p> <p>Unless the context requires otherwise, the definitions contained in the law, the list of terms used in the regulations and rules of the Capital Market Authority, and the Corporate Governance Regulations shall apply to these regulations. The terms and expressions below in these regulations have the meanings given to them:</p> <p>Policies or document: Board of Directors, its committees and executive management Remuneration Policy.</p> <p>Company: Saudi Paper Manufacturing Company.</p> <p>Board of Directors: The company's board of directors.</p> <p>Committee: company's Remunerations and Nominations Committee</p> <p>Senior executives or executive management: People entrusted with managing the company's daily operations and proposing and implementing strategic decisions, such as the CEO, CFO, and executive directors.</p> <p>Executive Member: A member of the Board of Directors who is full-time in the executive management of the company and participates in its daily work.</p> <p>Non-Executive Member: A member of the Board of Directors who is not dedicated to managing the company and does not participate in its daily operations.</p> <p>Independent Member: A non-executive board member who enjoys complete independence in his office and decisions and does not apply to any of the barriers of independence stipulated in the Corporate Governance Regulations.</p>	<p>objective:</p> <p>This policy aims to set clear standards for the remuneration of Board members, its committees and senior executives in light of the requirements of the Companies Law and the rules and regulations of the Capital Market Authority. The policy also aims to attract individuals with a degree of competence, ability and talent in order to work on the Board of Directors, committees and executive management by adopting plans Incentive reward programs linked to performance, which contribute to improving the company's performance and achieving the interests of its shareholders.</p>
----------	--	--

	<p>General Assembly: The company's general assembly (ordinary or extraordinary).</p> <p>Remunerations: Amounts, allowances, profits, and the like, periodic or annual remunerations linked to performance, short-term or long-term incentive plans, and any other in-kind benefits, with the exception of actual reasonable costs and expenses incurred by the company on behalf of a member of the Board of Directors or a member of the committee for the purpose of performing his work.</p> <p>Shares allocated to employees: treasury shares that the company allocates to its employees, whether they are a new issue or shares purchased by the company in accordance with the controls and procedures established by the Capital Market Authority.</p> <p>The law: The financial market law, the companies' law and their executive regulations, the corporate governance regulations, the company's bylaws, and any relevant instructions or decisions issued by the Capital Market Authority or the regulatory or supervisory authorities.</p> <p>Corporate Governance Regulations: Governance regulations for joint stock companies listed on the Saudi Stock Exchange issued by the Board of the Capital Market Authority, pursuant to Resolution No. 8-1-2017 (dated 16/05/1438 H corresponding to 13/02/2017).</p>	
Art.(4)	<p>Purpose of preparing the document:</p> <p>This document aims to set the general framework for the remuneration and compensation policy for Board members and the committees emanating from the Board and the Executive Management, and the standards</p>	<p>Remuneration General Standard</p> <p>The Remuneration and Nominations Committee shall be responsible for recommending to the Board the remuneration of Board members, committee members, and senior executives of the company, in accordance with the approved standards, as follows:</p>

	<p>for determining thereof and controls of their disbursement.</p>	<ol style="list-style-type: none"> 1. The remunerations must be commensurate with the company's activity and the skills necessary to manage thereof. 2. The remuneration shall be provided for the purpose of urging the Board members and Executive Management to make the company successful and develop it for long term, taking into account linking the variable portion of the remunerations with the long-term performance. 3. The company shall take into account the consistency of remunerations with the company's strategy, objectives and with the size, nature and degree of its risks. 4. The company shall take into account the practices of other companies and the prevailing labor market levels in term of remuneration, while avoiding unjustified increases in the prices of remuneration and compensation that may arise. 5. Remuneration should be prepared in coordination with the Remuneration and Nominations Committee regarding new appointments. 6. The Remuneration shall be determined based on the job level, the tasks and responsibilities assigned to the occupant, academic qualifications, practical experience, skills, and level of performance. 7. The remuneration must be fair and proportionate to the member's competencies, work and responsibilities carried out and charged by Board members or committees, in addition to the goals set by the Board of Directors to be achieved during the fiscal year.
--	--	--

		<ol style="list-style-type: none"> 8. Taking into account the sector in which the company operates, its size, and the experience of board members. 9. The Remunerations must be reasonably sufficient to attract board members 10. The remuneration of members Board may be of varying amounts, reflecting the extent of the member's experience, his specializations, the tasks assigned to him, his independence, the number of sessions he attends, and other considerations. 11. The remuneration payment may be ceased or refunded if it turns out that it was decided based on inaccurate information provided by a Board member or Executive Management. Such provision in order to prevent the employment situation from being used to obtain undeserved remunerations. 1. If the company has established a program to grant shares to Board members, Executive Management and its employees, whether it is a new issue or shares purchased by the company, this will be done under the supervision of the Remuneration and Nominations Committee and in accordance with the company's bylaws and the relevant rules and regulations of the Capital Market Authority.
Art. (4)	<p>Remuneration General Policy:</p> <p>Without prejudice to the provisions of the Companies Law and the Financial Market Law and their executive regulations, the company's remuneration policy shall be as follows:</p> <ol style="list-style-type: none"> 1. It should be consistent with the company's strategy and objectives. 2. The remunerations should be paid to urge board members, committee 	<p>Board Members Remunerations</p> <ol style="list-style-type: none"> 1. The Board members remuneration of Paper Manufacturing Company (the Company) shall be consisting of a specified amount, an attendance allowance for sessions, an expense allowance, in-kind benefits, or a percentage of profits. Two or more of

	<p>members, and executive management to make the company successful and develop it in the long term, such as linking the variable part of the remunerations with the long-term performance.</p> <ol style="list-style-type: none"> 3. Remunerations should be determined based on the job level, tasks and responsibilities assigned to its occupant, academic qualifications, practical experience, skills, and level of performance. 4. Remunerations should be consistent with the size, nature and degree of risks of the company. 5. Taking into account the practices of other companies in determining remunerations, while avoiding unjustified increases in the prices of remuneration and compensation that may arise. 6. Remunerations should aim to attract, maintain and motivate professional competencies, without exaggerating. 7. Remuneration should be prepared in coordination with the Remuneration and Nominations Committee regarding new appointments. 8. The cases of paying remuneration or refunded thereof if it turns out that it was decided based on inaccurate information provided by a Board member or Executive Management. Such provision in order to prevent the employment situation from being used to obtain undeserved remunerations. 9. To organize the granting of shares in the company to members of the Board of Directors and Executive Management, whether they are a new issue or shares purchased by the company 	<p>these benefits may be combined, according to the included schedule.</p> <ol style="list-style-type: none"> 2. The remuneration of the board members may vary amount in term to reflect member's experience, his duties, tasks assigned to him, his independence, the number of sessions he attends, and other considerations in light of this policy. The Board of Directors annual report shall include a detailed statement of all remuneration, expenses allowances and other benefits received by Board members during the fiscal year, in addition such statement shall include the remunerations received by the board members in their capacity as employees or executives, or in consideration of such technical, administrative, or advisory services (if any). Such report shall also include a statement of the number of the board meetings held and the number of meetings attended by each member. 3. If the board members numerations is a percentage of profits, the following should be observed: <ol style="list-style-type: none"> a. The independent bord member remunerations shall not be a percentage of the profits realized be the company or be directly or indirectly on basis of company profits. b. The specified percentage of net profits shall be determined under a recommendation by the numerations and nominations committee if the company realized profit, provided that such percentage should be presented to the shareholder general assembly for approval and should be pursuant
--	---	--

		<p>to company's bylaw and any relevant regulations</p> <p>4. If the general assembly decided to terminate any board's member due not attending three (3) consecutive meetings or five (5) separate meetings during his membership office without legitimate excuse accepted by the board, such member shall not entitle any remunerations for the period following to the last meeting. Such member should refund all remuneration paid to him for such period.</p>
Art. (5)		<p>Committees Members Remuneration</p> <p>1. The Board of Directors shall determine and approve the remunerations of its committees and attendance allowances and other entitlements which made upon the recommendation by the Numerations and Nominations Committee provided that such remunerations shall not be paid only after consent of the Board of Directors.</p> <p>2. The Board committees' members remunerations consist of an annual remuneration (sum lump), attendance allowances and other entitlements as set out herein according to the included table.</p>
Art. (6)	<p>Cases of ceasing remunerations payment, refund thereof or claiming indemnity</p> <p>The company has right to cease remunerations payment or refund thereof or claiming indemnity in the following case:</p> <p>1. If it is turn out that the remunerations have been prescribed based on inaccurate information submitted by a</p>	<p>Executive Management remunerations</p> <p>The Remuneration and Nominations Committee shall review the salary scale specified for all employees and senior executives; and the incentive program and plans on an ongoing basis and approves them based on the recommendation of the Executive Management. The Executive Management's Remuneration shall include the following:</p>

	<p>board or executive committee's member, such is for preventing to use the office position for obtaining unentitled remunerations.</p> <ol style="list-style-type: none"> 2. If the general assembly decided to terminate any board's member due not attending three (3) consecutive meetings or five (5) separate meetings during his membership office without legitimate excuse accepted by the board, such member shall not entitle any remunerations for the period following to the last meeting. 3. If it is turn out to Audit committee or the Capital Market Authority that the remunerations paid to a board member based on incorrect or misleading information presented to the General Assembly or included in the annual Board of Directors report. Such board member shall refund such remunerations and the company has the right to claim him to refund thereof. 	<ol style="list-style-type: none"> 1. An annual Remuneration linked to performance indicators according to the annual evaluation conducted in this regard. 2. Short-term incentive plans linked to exceptional performance, and long-term incentive plans such as stock option programs (if any). 3. Other benefits shall include but not limited to: annual leave, annual travel tickets, and an end-of-service benefit according to the labor law and human resources policy approved by the company; 4. The plans, programs and general guidelines for remuneration for senior executives shall be approved by the Remuneration and Nominations Committee. 5. The CEO shall implement the remuneration policy for employees and senior executives in light of the plans, programs and general guidelines approved by the committee.
Art.(7)	<p>Granting remuneration in form of shares:</p> <p>The Board of Directors may grant part of the remuneration in form of shares in the company to the executive members, senior executives and employees of the company according to the following, taking into account the relevant controls and procedures established by the Capital Market Authority:</p> <ol style="list-style-type: none"> 1. The shares program allocated to employees shall be approved by extraordinary General Assembly. 2. The General Assembly may authorize the Board of Directors to determine the 	<p>Additional parameters of remunerations and payment method:</p> <ol style="list-style-type: none"> 1. Members of the Board of Directors may not vote for the remuneration item for members of the Board of Directors. 2. The company shall disclose the remuneration of Board members, committees and senior executives in the annual report of the Board of Directors in accordance with the controls and directives issued under the Companies Law and the Capital Market Authority's regulations and their executive regulations.

	<p>terms of this program, including the allocation price for each share offered to employees if it is for a consideration.</p> <ol style="list-style-type: none"> 3. New shares shall be issued or shares shall be purchased in accordance with the controls and procedures established by the Capital Market Authority. 4. The company's bylaws must stipulate that this is permissible. 5. Non-executive board members shall not be included in the employee stock program. Executive members shall not be permitted to vote on board decisions related to the program. 	<ol style="list-style-type: none"> 3. The member shall be entitled to the remunerations starting from the date he joins with Board or committee and according to the duration of his membership. 4. Procedures for paying remuneration for Board members and committees shall be prepared by the Board Secretary, provided that the order for their payment should be approved by the CEO. 5. The allowance for attending Board meetings, the remuneration of committees, and the allowance for attending committee meetings shall be paid during the fiscal year, as the case may be. As for the annual remuneration of the board, it shall be paid in full after its approval at the annual general assembly meeting.
Art. (8)	<p>Board members' remuneration</p> <ol style="list-style-type: none"> 1. The annual remuneration for members of the Board of Directors consists of a specific amount not exceeding SAR 150,000 (Saudi Riyals: one hundred and fifty thousand), provided that such remuneration entitlement is proportional to the number of meetings that the member attends during the year, or an attendance allowance for the sessions or a certain percentage of the net Profits. Two or more of these benefits may be combined pursuant to the companies' law, its executive regulations, and the company's bylaws. 2. A Board member is entitled to an attendance allowance for each Board meeting of (S.R 3000) 3. The company shall reserve flight tickets for Board members, which may not be 	<p>The details of Boar Members and Its Committees Remunerations.</p> <ol style="list-style-type: none"> 1. Board of Directors : <ul style="list-style-type: none"> • Allowance for attending one session: SAR 4,000 • Annual lump sum per member: SAR 200,000 2. Audit committee members: <ul style="list-style-type: none"> • Allowance for attending one session: SAR 4,000 • Lump sum annual amount per member: SAR 150,000 3. Members of the Nominations and Remuneration Committee, and other committees emanating from the Board of Directors

	<p>replaced with financial compensation if it is not used.</p> <p>4. The company shall bear the accommodation and transportation expenses for any member of the board to attend in person any of the board meetings held outside his city of residence, up to a maximum of Saudi Riyals: one thousand five hundred (SAR 1500) for one meeting and one night. No financial compensation shall be paid in lieu of accommodation and transportation if it is not used.</p> <p>5. A Board member may obtain a remuneration in consideration of his membership in the audit committee formed by the General Assembly, or any additional executive, technical, administrative or consulting work or positions, under a professional license, assigned to him in the company, in addition to the remuneration that he may obtain in his capacity as a Board member and in the independent committees by the Board of Directors in accordance with the Companies Law and the Company's Bylaws.</p> <p>6. The remuneration of members of the Board of Directors may be of varying amounts to reflect the member's experience, his specializations, the tasks assigned to him, his independence, the number of sessions he attends, and other considerations.</p> <p>7. The remuneration for independent board members shall not be a percentage of the profits realized by the company or be based directly or indirectly on the company's profitability.</p> <p>8. The Board Chairman, his deputy, and the Managing Director may receive an</p>	<ul style="list-style-type: none"> • Allowance for attending one session: SAR 4,000 • Lump sum annual amount per member: SAR 150,000 <p>4. The Board Secretary: the remuneration of the Board Secretary and payment method, whether as an attendance allowance for each session, or a lump sum remuneration (if any) shall be determined by the Board of Directors, by written decision. The Board also has the right to review periodically as it deems appropriate.</p>
--	---	--

	<p>additional remuneration in addition to their remuneration as a member of the Board.</p> <p>9. Remunerations shall be paid based on the decision of the Board of Directors, according to the policies approved by the General Assembly, upon the recommendation by the Nominations and Remuneration Committee.</p> <p>10. The Board of Directors shall submit a recommendation to the company's General Assembly to approve the Board's remuneration linked to a certain percentage of net profits in accordance with the law.</p> <p>11. Board Members may not vote on the remuneration item for members of the Board of Directors at the General Assembly meeting</p>	
Art. (9)	<p>Remuneration for board committee members:</p> <ol style="list-style-type: none"> 1. The remuneration for board committee members consists of an annual remuneration, meeting attendance allowances, and expenses allowance. 2. The work regulations of each board committee shall include its remuneration and allowances 3. Annual remuneration for committee members shall be paid at the end of the company's fiscal year. 4. Attendance and expenses allowances shall be paid at the end of the fiscal year or during it. 5. A Board member participating in more than one committee will be paid a remuneration for one committee only, 	<p>Ninth: Final provisions (review, amendment and publication of this policy)</p> <ol style="list-style-type: none"> 1. This policy shall be implemented and abide to by the company as of the date of its approval by the General Assembly of Shareholders. This policy shall be published on the company's website to enable shareholders, the public and stakeholders to view it. 2. This policy shall be reviewed periodically, when needed, by the Remuneration and Nominations Committee. Any amendments proposed by the committee shall be presented to the Board of Directors, which studies and reviews the proposed amendments and recommends them to the general assembly of shareholders for approval.

	regardless of the number of committees he is a member therewith.	
Art. (10)	<p>Executive management remuneration:</p> <ol style="list-style-type: none"> 1. Upon a recommendation by Committee, the Board of Directors shall determine the types of remunerations granted to the company's senior executives, for example: fixed remunerations such as salaries, allowances and in-kind benefits, and variable remunerations linked to performance such as periodic remunerations, profits and incentive plans, etc. in a manner that does not conflict with the relevant provisions of the Companies Law, the Financial Market Law and their executive regulations. 2. The mechanism for paying the fixed remuneration shall be determined in accordance with the approved contracts of senior executives. The variable remuneration shall be in accordance with the objectives set by the Board and performance assessment of senior executives and any related reports in accordance with the procedures determined by the Board of Directors based on the recommendation of the Remuneration and Nominations Committee. 	Delete Article
Art.(11)	<p><u>Company Disclosures</u></p> <ol style="list-style-type: none"> 1. The company shall disclose in the annual Board of Directors report all remuneration, expense allowances, and other benefits received by the board members and shall also include the amount received by the board members in their capacity as employees, or administrators or that they received in consideration of a technical, 	Delete Article

	<p>administrative or advises services under the requirements of corporate governance regulations.</p> <p>2. The company shall disclose in the annual report to the Board the remuneration of committee members and senior executives in accordance with the requirements of the Corporate Governance Regulations.</p>	
Art. (12)	<p><u>Final Provisions</u></p> <ol style="list-style-type: none"> 1. This document may not be amended except by a decision, proposal or recommendation from the Board of Directors and submitted to the General Assembly for approval. 2. The Board of Directors has the right to interpret or clarify the provisions contained in this document. 3. The Board of Directors shall supervise the implementation the provisions stated in this document, and the Chairman and members of the Remuneration and Nominations Committee shall implement what is stated therein. 4. This document shall not be considered an alternative to the provisions of the law and its executive regulations. Unless a text provided herein, a reference shall be made to the law, and if there is any conflict between it or any paragraph or any article therein and the law, the provisions of the law prevail and the other paragraphs and articles remain in application. 5. The company may publish this document or a summary thereto on its website or through any other means. 6. No shareholder has the right to view this document at the company's offices in prior coordination with the company's management if it is not published on the company's website. 7. The Board of Directors shall review this document, when necessary, with the 	

	<p>aim of continuous development and improvement and to keep pace with any amendments that may occur to the law to reach the best professional practices.</p> <p>8. This document shall be effective from the date of its approval by the company's general assembly.</p>	
--	---	--

Amendments Board Membership Policies and Standards and procedures Regulation

Art. No.	Article before amendment (Current Regulation)	Article after amendment (New Regulation)
Art. (1)	<p><u>Preamble:</u></p> <p>1.1. This document regulates the policies, standards and procedures for membership in the Board of Directors in accordance with the requirements of Paragraph (3) of Article 22 of the Corporate Governance Regulations issued by the Board of the Capital Market Authority.</p> <p>1.2. This document shall be subject to the provisions of the Companies Law, the Financial Market Law and their executive rules and regulations, the provisions of the Company's Bylaws, the Corporate Governance Regulations, and the Company's Governance Rules and guided by best practices commensurate with the nature of the company and its operations.</p> <p>1.3. The company's executive management shall provide the members of the Board of Directors, non-executive members in particular, and the company's committees with all necessary information, data, documents and records, provided that they should be complete, clear, correct, not misleading, and in a timely manner to enable them to perform their duties and tasks.</p> <p>1.4. Members of the Board of Directors, members of the Board Committees, and senior executives of the company shall exercise their powers and carry out their duties as required by company's interest.</p> <p>1.5. The company shall observe the rules and regulations and its commitment to disclosing essential information to shareholders, creditors, and stakeholders.</p>	<p><u>Reference:</u></p> <p>"Membership policies, standards and procedures" has been prepared in the Board of Directors of the Saudi Paper Manufacturing Company with the aim of complying with Paragraph (3) of Article (21) of the Corporate Governance Regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. (8-16-2017) dated 1438 5/16 H corresponding to 13/02/2017, amended by CMA Board Resolution No. 5-8-2023 dated 25/06/1444 H corresponding to 18/01/2023, which stipulated that (the Board of Directors) shall "Prepare clear and specific policies, standards and procedures for membership in the Board - in a way that does not conflict with the mandatory provisions in the Corporate Governance Regulations - and putting them into effect after approval by the General Assembly."</p>

Art. (2)	<p><u>Definitions:</u></p> <p>Unless the context requires otherwise, the definitions contained in the law, the list of terms used in the regulations and rules of the Capital Market Authority, and the Corporate Governance Regulations shall apply to these regulations. The terms and expressions below in these regulations have the meanings given to them:</p> <p>Policies or document: policies, standards and procedures for membership of the company's board of directors.</p> <p>Company: Saudi Paper Manufacturing Company.</p> <p>Board of Directors: The company's board of directors.</p> <p>Senior executives or executive management: People entrusted with managing the company's daily operations and proposing and implementing strategic decisions, such as the CEO, CFO, and executive directors.</p> <p>Executive Member: A member of the Board of Directors who is full-time in the executive management of the company and participates in its daily work.</p> <p>Non-Executive Member: A member of the Board of Directors who is not dedicated to managing the company and does not participate in its daily operations.</p> <p>Independent Member: A non-executive board member who enjoys complete independence in his office and decisions and does not apply to any of the barriers of independence stipulated in the Corporate Governance Regulations.</p> <p>General Assembly: The company's general assembly (ordinary or extraordinary).</p> <p>The law: The financial market law, the companies' law and their executive regulations, the corporate governance regulations, the company's bylaws,</p>	<p><u>Policies and standards for membership in the company's Board of Directors:</u></p> <p>The member of the Board of Directors shall be of professional competence who possess the necessary experience, knowledge, skill, and independence, enabling him to carry out his duties efficiently and competently, provided that the General Assembly, when electing members of the Board of Directors, takes into account the recommendations of the Company's Remuneration and Nominations Committee and the availability of the personal and professional capabilities necessary to perform their duties effectively. In particular, the member shall have the following:</p> <ol style="list-style-type: none"> 1. The nominated person for board membership shall not have been previously convicted of a crime against honor or trust, and shall not be insolvent, bankrupt, or otherwise unfit for board membership in accordance with any law or instructions in force in the Kingdom. 2. The board member shall not hold membership in more than five joint stock companies listed on the financial market at the same time. 3. The member of the Board of Directors shall represent all shareholders, and shall be comply with matter achieving the company's interest in general and not to in the interest of the group that he represents or that voted to appoint him to the Board of Directors. 4. The number of independent members shall not be less than (3) members, which represents one-third of the Board members, as the company's Board of Directors membership consists of (7) members. 5. The independent member must enjoy with complete independence in his office and
----------	--	--

	<p>and any relevant instructions or decisions issued by the Capital Market Authority or the regulatory or supervisory authorities.</p> <p>Corporate Governance Regulations: Governance regulations for joint stock companies listed on the Saudi Stock Exchange issued by the Board of the Capital Market Authority, pursuant to Resolution No. 8-1-2017 (dated 16/05/1438 H corresponding to 13/02/2017).</p> <p>Group: means that person and all of his affiliates.</p> <p>Cumulative voting: A voting method for selecting members of the Board of Directors that gives each shareholder voting power by the number of shares he owns, such that he has the right to vote for one candidate or divide it among the candidates he chooses without repeating the votes.</p>	<p>decisions, and none of the barriers of independence stipulated in the governance regulations issued by the Authority apply to him.</p> <ol style="list-style-type: none"> 6. Ability to lead: This means that he has leadership skills that qualify him to grant powers in a way that leads to stimulating performance, applying best practices in the field of effective management, adhering to professional values and ethics, and the ability to communicate effectively, think and plan strategically. 7. Qualifications, skills and experience, by having the appropriate academic qualifications, professional and personal skills, level of training and practical experiences related to the company's current and future activities and knowledge of management, economics, accounting, law or governance, as well as the desire to learn and train. 8. The ability to direct: This means that he must have technical, leadership and administrative capabilities, speed in decision-making and understanding the technical requirements related to the workflow, and be able to provide strategic guidance, long-term planning and a clear future vision. 9. Financial knowledge by being able to read and understand financial statements and reports. 10. Health fitness: This means that he does not have a health problem that prevents him from exercising his duties and specializations. 11. Each member of the Board of Directors shall be in comply with the duties of care and loyalty, including in particular the following:
--	---	--

		<p>a. Exercising tasks within the limits of prescribed powers: A member of the Board of Directors must exercise his duties and powers in managing the company and directing its work within the limits of his prescribed powers in accordance with the provisions of the Companies Law and its executive regulations, the company's bylaws and other relevant regulations, and in a manner that achieves the purposes for which he is granted those powers.</p> <p>12. To work for the company's interest and enhancing its success: A member of the Board of Directors shall comply with the following:</p> <p>a. To work in good faith in the interest of the company and all shareholders and not to prioritize his personal interest over the interest of the company and its shareholder, taking into account the rights of other shareholders.</p> <p>b. To ensure that to do everything that will enhance the company's success and development and maximize its value for the benefit of its shareholders for long term.</p> <p>13. Making decisions or voting independently: A member of the Board of Directors shall exercise his duties objectively and independently with regard to managing the company and making decisions therefor, and to avoid situations that affect his independence in making decisions or when voting therefor.</p> <p>14. Exerting reasonable and expected care, attention, diligence and skill: A member of the Board of Directors shall perform his duties and responsibilities in accordance with the Companies Law, the Financial</p>
--	--	--

		<p>Market Law and their executive regulations, the company's bylaws and other relevant regulations, in accordance with the care and diligence that a prudent person must exercise with the general knowledge, skill and experience possessed by a member. The Board of Directors itself, and those expected of those who perform the same functions as that member.</p> <p>15. Avoid conflicts of interest: A member of the Board of Directors must avoid transactions and situations in which he has or is likely to have a direct or indirect interest that conflicts with the interest of the company or could conflict with the interest of the company, and must adhere to the provisions regarding conflicts of interest contained in the Companies Law. and its executive regulations.</p> <p>16. To disclose any interest he has, directly or indirectly, in the business and contracts carried out on behalf of the company: A member of the Board of Directors shall disclose any interest he has, directly or indirectly, in the business and contracts carried out on behalf of the company as soon as he becomes aware of it, and he shall comply with the provisions regarding disclosure of the interest in the business and contracts mentioned in the companies' law and its executive regulations.</p> <p>17. Not to accept any benefit granted to him by others in relation to his role in the company: A member of the Board of Directors shall not use his position, tasks and powers that he has as a member of the Board of Directors in any way to obtain benefits from others or accept any benefit granted to him by others in return of performing a certain action or abstaining from doing a certain action.</p>
--	--	---

		<p>18. The nominated person shall be a natural person and shall be at least (25) twenty-five years old and must be applying as a shareholder or nominated by a shareholder.</p> <p>19. Diversity in academic qualifications and practical experience should be taken into account. A priority should be given in nomination to the needs required of those with the appropriate skills for membership in the Board of Directors.</p> <p>20. A member of the Board of Directors shall resign before the end of his term on the Board of Directors if he loses his eligibility to work as a member of the Board of Directors, is unable to perform his work, or is unable to allocate the time or effort necessary to perform his duties with the Board. However, in the event of a conflict of interest, the member has the option to obtaining a license from the General Assembly or submitting his resignation.</p>
Art. (3)	<p><u>Purpose of the document:</u></p> <p>This document aims to establish clear and specific policies, standards and procedures for membership in the Board of Directors which should not conflict with the mandatory provisions in the Corporate Governance Regulations and shall be effective after the company's General Assembly approves them.</p>	<p><u>Eligibility and procedures for nomination for membership in the Board of Directors:</u></p> <ol style="list-style-type: none"> 1. A shareholder has the right to nominate himself or one or more other persons for membership in the Board of Directors. 2. The Remuneration and Nominations Committee shall coordinate with the company's executive management to announce the opening of nominations for membership in the company's Board of Directors at least sixty (60) days before the end of the Board's session and in light of the requirements required by the laws and regulations. 3. The nomination announcement shall be published on the website of the Financial Market (Tadawul), as well as on the

		<p>company's website, and in any other means determined by the Authority, in order to invite persons wishing to nominate for membership in the Board of Directors, provided that nominations remain open for at least one month from the date of the announcement.</p> <ol style="list-style-type: none"> 4. The Remuneration and Nominations Committee shall submit its recommendations to the Board of Directors regarding nomination for Board membership in accordance with the criteria set forth in this policy. 5. Whoever wishes to nominate himself for membership in the company's Board of Directors shall make disclosure in accordance with a notification submitted to the company's management in accordance with the period and dates stipulated in accordance with this policy and the applicable laws and regulations. Such notification shall include an introduction to the nominated person in Arabic and English in terms of his CV, qualifications, and practical experiences, in addition to providing the company with all supporting documents such as (national ID card, family card, passport for non-Saudis running for board membership, and any other relevant documents required by the company to meet the requirements). 6. The nominated person for Board membership shall disclose to the board and the General Assembly any cases of conflict of interest, which include: <ol style="list-style-type: none"> a. If he has a direct or indirect interest in the business and contracts conducted to the account of the company for which he wishes to run for the board of directors.
--	--	--

		<p>b. If he is involved in business that would compete with the company, or compete a branch of its business line</p> <p>7. Applicants for board membership shall fill out the form or forms specified by the Capital Market Authority, which may be obtained through the Authority's website.</p> <p>8. A nominated person who has previously served as a member of the board of directors of a joint stock company shall attach a statement of the number and dates of the boards of directors of the companies of which he served.</p> <p>9. The membership status shall be clarified upon nomination, i.e. whether the member is an executive member, a non-executive member, or an independent member.</p> <p>10. The Remuneration and Nominations Committee shall coordinate with the executive management to finalize the regulatory requirements and provide the competent regulatory authorities with all required documents.</p> <p>11. Voting on the selection of members of the Board of Directors shall be done through the cumulative voting method.</p> <p>12. Voting in the General Assembly is limited to those who nominated themselves in accordance with the aforementioned policies, standards and procedures</p>
Art. (4)	<p><u>The shareholder's right to run for membership in the Board of Directors.</u></p> <p>A shareholder in the company has the right to nominate himself or one or more other persons for membership in the Board of Directors, within the limits of his ownership percentage in the capital, in accordance with the provisions of the Companies</p>	<p><u>Mechanism for selecting the Chairman of the Board of Directors and Vice-Chairman:</u></p> <p>The shareholders of the Saudi Paper Manufacturing Company shall elect the members of the Board of Directors at the General Assembly meeting of shareholders in accordance with the law and standards included in this policy. Then, at its first meeting, the Board shall choose a</p>

	Law and the Financial Market Law and their executive regulations.	Chairman and a Vice-Chairman from among its non-executive members. The Board shall have the right to remove them from their offices or Re-select them at any time.
Art. (5)	<p><u>Board of Directors composition.</u></p> <ol style="list-style-type: none"> 1. The number of members of the Board of Directors shall be in accordance with the provision set forth in the company's bylaws, provided that it shall not be less than three (3) and not more than eleven (11) members 2. The majority of the Board members shall be non-executive members. 3. The number of independent board members shall not be less than two(2/3) or one-third (1/3) of the board members, whichever is more. 	<p><u>Expiration of a board member's membership and vacancy of an office:</u></p> <ol style="list-style-type: none"> 1. Board membership shall expire at the end of the term prescribed, which is four Gregorian years from the date of electing thereof by the General Assembly. 2. The membership of a Board member shall end in accordance with instructions in force in the Kingdom, or due to death, resignation, or if he is convicted a crime prejudicial to honor and dishonesty. However, the Ordinary General Assembly may dismiss all or some of the board members. A board members may resign by written notification to the Chairman of the board. If the Chairman of the board retires, the notification shall be sent to the remaining board members and the board Secretary. Retirement shall take effect in both cases from the date specified in the notification. 3. Upon a recommendation by the Board, the General Assembly may terminate the membership of any member who fails to attend three consecutive meetings or five separate meetings of the board without a legitimate excuse accepted by the board. 4. If a board member office becomes vacant during the term of membership, the board has the right to appoint a temporary member to the vacant office, provided that he is one of those who possess experience and competence, and that the appointment shall be presented to the Ordinary General Assembly at its first meeting for approval, and the new member will complete the

		<p>term of his predecessor in light as stated in the company's bylaws.</p> <ol style="list-style-type: none"> 5. If the Chairman and Board members retire, they shall call the Ordinary General Assembly to convene to elect a new Board of Directors. The retirement shall not take effect until the new Board is elected, provided that the term of the retiring Board does not exceed the period specified by the regulations. 6. If a Board of Directors is not elected for a new session or the necessary number of Board of Directors members is not completed, in accordance with the Companies Law, any interested party may request the competent judicial authority to appoint, among those with experience and expertise, and in the number it deems appropriate, someone to supervise the management of the company and call the General Assembly to convene during the election to elect a new board of directors or to complete the necessary number of board members.
Art. (6)	<p><u>Appointment and removal of board members:</u></p> <ol style="list-style-type: none"> 1. The Ordinary General Assembly shall appoint the members of the Board of Directors no later than three calendar years from the date of the beginning of the Board of Directors. Members of the Board of Directors may be re-elected unless the company's bylaws stipulate otherwise. 2. The General Assembly may, at any time, dismiss all or some of the members of the Board of Directors, without prejudice to the right of the dismissed member towards the company to demand compensation if the dismissal occurs for an unacceptable reason or at an inappropriate time. 	<p><u>Final provisions (publication, enforcement and amendment):</u></p> <ol style="list-style-type: none"> 1. This policy shall be implemented and adhered to by the company as of the date of its approval by the General Assembly of Shareholders. This policy shall be published on the company's website to enable shareholders, the public and stakeholders to view it. 2. This policy shall be reviewed periodically, when needed, by the Remuneration and Nominations Committee, and any amendments proposed by the committee shall be presented to the Board of Directors, which shall study and review the proposed amendments and recommend

		them to the General Assembly of Shareholders for approval.
Art. (7)	<p><u>Procedures for electing board members:</u></p> <ol style="list-style-type: none"> 1. The company shall announce on the Capital Market's website information about nominated persons for membership of the Board of Directors when publishing or calling the General Assembly to convene which one item of its agenda shall be "electing board members," provided that this information includes a description of the nominated persons experiences, qualifications, skills, jobs, and previous and current memberships. the company shall make a copy of such information available within its headquarter and in website. 2. Cumulative voting shall be used to elect the Board of Directors, so that the right to vote per share may not be used more than once. 3. Voting in the General Assembly shall be limited to candidates for Board membership whose information has been announced by the company. 4. The company shall strive the best of its ability to ensure that the number of candidates for the Board of Directors whose names are presented to the General Assembly to elect Board members exceeds the number of available seats so that the Assembly has the opportunity to choose from among the candidates. 	Delete article
Art.(8)	<p><u>Vacant a Board member office and appointment of a replacement:</u></p> <ol style="list-style-type: none"> 1. If, for any reason or due to expiration of the membership of a member board or more becomes vacant, the board, according to a recommendation of remunerations and nominations committee shall appoint a temporary pursuant to the provision set forth to company's bylaws, provided that such 	Delete article

	<p>appointment shall be presented to ordinary general assembly in its first subsequent meeting.</p> <ol style="list-style-type: none"> 1. The new member shall complete the term of his predecessor as a member Board. 2. If the required conditions are not met for the Board of Directors to convene due to the number of its members being less than the minimum stipulated in the company's bylaws, the remaining members shall call the General Assembly to convene within sixty (60) days in accordance with the procedures for nomination the Board membership and electing Board members set forth in This document. 	
Art.(9)	<p><u>Selection and dismissal of the Chairman, his deputy, and the Managing Director:</u></p> <ol style="list-style-type: none"> 1. The Board of Directors shall select a Chairman and Vice-Chairman from among its members, provided that they are non-executive members. 2. The Board may appoint a managing director from among its members. A member may combine with managing director office and company's CEO office. 3. The Board shall have the right at any time during the term of the Council to remove or change any of the above from his position, or to re-select any of them at any time during the term of the Council. 	Delete article
Art.(10)	<p><u>Conditions and criteria for membership in the Board of Directors:</u></p> <p>The Board member shall be a professionally qualified person processed the required experience, knowledge, skill and independence to enable him to carry out his duties efficiently and competently. In particular, he must possess the following:</p> <ol style="list-style-type: none"> 1. Ability to lead: This means that he has leadership skills that qualify him to grant 	Delete article

	<p>powers in a way leading to stimulating performance, applying best practices in the field of effective management, and committed himself with professional values and ethics.</p> <ol style="list-style-type: none"> 2. Efficiency: This is by having the appropriate academic qualifications, skills and experience, by having the appropriate academic qualifications, professional and personal skills, level of training and practical experiences related to the company's current and future activities and knowledge of management, economics, accounting, law or governance, as well as the desire to learn and train. 3. Ability to direct: This means that he must have technical, leadership and administrative capabilities, speed in decision-making and understanding the technical requirements related to the workflow, and be able to provide strategic guidance, long-term planning and a clear future vision. 4. Financial knowledge: by being able to read and understand financial statements and reports. 5. Health fitness: This means that he does not have a health problem that prevents him from exercising his duties and specializations. 6. he should be in comply with the duties of care and loyalty, including in particular the following: <ol style="list-style-type: none"> a. Honesty: The relationship between the Board member and the company shall be a professional, honest relationship, and he shall disclose any influential information before the implementation of any deal or contract with the company or one of its subsidiaries. 	
--	--	--

	<p>b. Loyalty: The Board member shall avoid transactions involving a conflict of interest and verify the fairness of transactions while considering the conflict-of-interest provisions in companies' law, corporate governance regulations and company's conflict of interest policy.</p> <p>c. Care and Attention: By performing the duties and responsibilities set forth in the Companies Law, the Capital Market Law, their Executive Regulations, the Company's Articles of Association, and other relevant regulations.</p> <p>7. A Board member shall not have been convicted of an offense against honor and honesty and shall not be insolvent, bankrupt, or invalid for Board membership by any law or instructions in force in the Kingdom.</p> <p>8. The member of the Board shall not be a member of the board of directors of more than five joint stock companies listed on the stock market at the same time.</p> <p>9. The member of the Board shall represent all the shareholders and shall be committed to the interests of the company in general and not to the interests of the group that he represents or which voted for his appointment in the Board.</p> <p>10. The Independent Member shall enjoy full independence in his position and decisions and shall not be subject to any of the signs of independence outlined herein and in the Corporate Governance regulation.</p> <p>11. The Board member shall abide by the provisions of the relevant rules, regulations and instructions.</p>	
--	---	--

	<p>12. The Board member shall exercise his duties of care and loyalty towards the company and everything that will safeguard the company's interests, develop it and maximize its value, and put its interests ahead of his personal interests in all circumstances.</p> <p>13. He must have the ability to allocate sufficient time to fulfill his responsibilities as a member of the Board of Directors, including attending meetings of the Board and its appointed committees.</p>	
Art.(11)	<p><u>Expiration of Board's membership:</u></p> <p>The Board membership or any member of the Council shall end by one of the following ways:</p> <ol style="list-style-type: none"> 1. Expiration of term of the Board of Directors determined by the company's general assembly. 2. Expiration of a board member in accordance with any law or instructions in force in the Kingdom, or due to death, or if he is convicted of a crime involving breach of trust. 3. A board member resigning of the board membership and clarifying the reasons of his resignation. The board member who resigned due observation on the company's performance must submit a written clarification to chairman and present thereof to the board of directors. 4. Upon the recommendation of the Board of Directors, the General Assembly terminates the membership of any Board member who is absent from attending three consecutive meetings without a legitimate excuse accepted by the Board. 5. All or part of board member removed by the general assembly according to this document and law. 	Delete article

	<p>6. A board member shall resign of his office if he is unable to fully fulfill his duties on the Board. He also shall submit his resignation within the period determined by General Assembly, if it refused to renew the license granted to him under Articles 71 & 72 of Companies' law and Article 46 of Corporate Governance Regulations, otherwise, his board membership shall be considered terminated, unless he decides to reconcile his situation in accordance with the law before the expiry of the deadline specified by the General Assembly.</p>	
Art. (12)	<p><u>opening of nominations for membership on the company's Board</u></p> <ol style="list-style-type: none"> 1. Company's Executive Management in coordination with The Nomination and Remuneration Committee shall determine date and invitation announcement content for opening nominations for board membership at least sixty (60) days before the end of the Board session. 2. Upon a recommendation by the Nomination and Remuneration Committee, the Board shall decide the date and invitation announcement content for opening nominations for board membership. 3. The invitation to open nominations for board membership shall be announced in the event that the number of board members is short of the minimum for the board to convene in accordance with the company's bylaws, taking into account that the date of the general assembly to elect the other members begins from the date of the shortage. Taking into account that the date of the General Assembly to convene to elect other members is within sixty days. 	

	<ol style="list-style-type: none"> 4. The invitation to open nominations for Board membership shall be announced if the Chairman and members of the Board submit their resignations, or if the General Assembly is unable to elect the Board of Directors in accordance with Article (69) of the Companies Law. 5. The executive management shall take the necessary measures to announce the opening of nominations for board membership in accordance with the law. 6. The Company shall publish on the website of the Financial Market (Tadawul), as well as on the company's website, and in any other means determined by the Authority, in order to invite persons wishing to nominate for membership in the Board of Directors, provided that nominations remain open for at least one month from the date of the announcement. 7. Upon a recommendation by Remuneration and Nominations Committee, the Board of Directors may, extend the opening of nominations for Board membership in the cases it deems appropriate, especially if the number of nominated persons for Board membership does not complete the number of vacant offices, or if the appropriate persons for Board membership are not available in accordance with the approved membership policies and standards. 	
Art.(13)	<p><u>Board Nomination Procedures</u></p> <ol style="list-style-type: none"> 1. Each shareholder shall have the right to nominate himself or another person or more than one person for membership on the Board of Directors within the limits of his percentage in the company's capital. 2. Whoever wishes to nominate himself shall notify the company of his desire in writing in accordance with the dates stipulated in the company's announcement of the 	

	<p>invitation to open Board membership nominations. The notification shall include all information and data contained in the invitation announcement, and all information and data must be in the Arabic language.</p> <ol style="list-style-type: none"> 3. The legal entity whom which to nominate a representative or more shall notify the company in writing and submit the name or names of its representatives and attach what is required according to the company's announcement to invite nominations for Board membership. 4. Whoever applies to run for membership in the Board shall fill out the forms specified by the Capital Market Authority available at Authority's website and provide them to the company. 5. The applicant run for board membership shall provide the company with all documents and papers, including a copy of the national ID card, family card, passport for non-Saudis, fill out all forms specified by the Capital Market Authority, and any documents, papers, or information related to the nomination requested by the company. 6. An applicant run for board membership shall disclose to the Board and the General Assembly any cases of conflict of interest in accordance with the procedures established by the Authority which include: <ol style="list-style-type: none"> a. There is a direct or indirect interest in the business and contracts made by the company account b. he is involved in business that would compete with the company, or compete a branch of its business line 	
Art. (14)	<p><u>Company Disclosures</u></p> <ol style="list-style-type: none"> 1. The company shall notify the Authority of the Board members names and their membership office within five working days from the date of the beginning of the 	

	<p>Board session or from the date of their appointment - whichever is earlier.</p> <ol style="list-style-type: none"> 2. The company shall notify the Authority of any changes occurring in the membership of board members within five working days from the date the changes occur. 3. The company shall notify the Authority and the Market immediately upon the expiration of a member's membership in the Board of Directors of one of the methods of expiration of membership, along with a statement of the reasons for this. 4. The company shall notify the Authority and the Market immediately when a temporary member is appointed to replace the expired member, along with information about him. 	
Art. (15)	<p><u>Final Provisions</u></p> <ol style="list-style-type: none"> 1. This document may not be amended except by a decision, proposal or recommendation from the Board of Directors and submitted to the General Assembly for approval. 2. The Board of Directors has the right to interpret or clarify the provisions contained in this document. 3. The Board of Directors shall supervise the implementation the provisions stated in this document, and the Chairman and members of the Remuneration and Nominations Committee shall implement what is stated therein. 4. This document shall not be considered an alternative to the provisions of the law and its executive regulations. Unless a text provided herein, a reference shall be made to the law, and if there is any conflict between it or any paragraph or any article therein and the law, the provisions of the law prevail and the other paragraphs and articles remain in application. 	

	<ol style="list-style-type: none">5. The company may publish this document or a summary thereto on its website or through any other means.6. No shareholder has the right to view this document at the company's offices in prior coordination with the company's management if it is not published on the company's website.7. The Board of Directors shall review this document, when necessary, with the aim of continuous development and improvement and to keep pace with any amendments that may occur to the law to reach the best professional practices.8. This document shall be effective from the date of its approval by the company's general assembly	
--	--	--



المجموعة السعودية للورق
SAUDI PAPER GROUP

**Competitive business standards and controls for the Saudi
Paper Manufacturing Company**

1- Introduction

The Saudi Paper Manufacturing Company's competitive business standards and controls have been prepared in complying with Para. (3) of Article (44) of the Corporate Governance Regulations issued by Capital Market Authority Board Resolution No. 6-8-2017 dated 16/05/1438 H corresponding to 13/02/2017 amended by Capital Market Authority Board Resolution No. 8-5-2023 dated 25/06/1444 H corresponding to 18/01/2023, which stipulates that "the Board of Directors shall verify whether a member of the Board or a member of one of its committees is competing with company's business or competing with in one of the branches of the activity which it carries out in accordance with standards issued by the Partners General Assembly based on the proposal of the Board of Directors."

2- Objective

These standards and controls aim to identify businesses and activities that are considered competitive with the company or its subsidiaries in its business or subsidiary activities. These standards and controls also aim to clarify the procedures that should be followed if a member of the Board of Directors, a member of one of its committees, or a nominated person for board membership involves in competing businesses in accordance with the controls stipulated in the executive regulations of the companies' law for listed joint-stock companies and the corporate governance regulations, which contributes to enhancing transparency in all company transactions and avoiding cases of conflict of interest.

3- Competing the Company

1. A Board's member or a member of one of its committees may not involve in any business that would compete with the company or compete thereof in one of the branches of activities practiced by the company or any of its subsidiaries, except with an authorization from the company's ordinary general assembly or the Board of Directors, If authorized to do so by the Ordinary General Assembly, it may do so in accordance with the controls stipulated herein, companies' law, and regulations issued by the relevant Financial Market Authority.
2. A member's refusal to engage in business competitive with the company or its group shall be considered a personal responsibility for each member. If a member of the Board of Directors violates the aforementioned controls, the company has

the right to demand appropriate compensation from him before the competent judicial authority.

4- Duties of members of the Board of Directors and nominated persons for its membership regarding conducting competing businesses

1. Whoever wishes to nominate himself for membership in the Board of Directors shall disclose to the Board and the General Assembly that he is involving in business that would compete with or compete with the company in one of the branches of activity that it engages.
2. A Board member shall exercise his duties with honesty and integrity, and shall put the company's interests ahead of his personal interests, and shall not use his position to achieve private interests.
3. The member shall protect the confidentiality of information related to the company and its activities, and not disclose to a third party.
4. A Board member shall not use his position and tasks and powers he has in his capacity as a Board member in any way or benefit directly or indirectly from any of the company's assets, information, or investment opportunities presented to him in his capacity as a Board member. this shall include investment opportunities that are part of the company's activities, or that the company wishes to benefit therefrom. The prohibition shall apply to a Board member who retires in order to directly or indirectly use investment opportunities that the company wishes to benefit therefrom and of which he learned during his Board membership.

5- The concept of competing business

The following are within the concept of involving in business competing the company or competing thereof in one of its activities:

1. The member establishes a company or sole proprietorship, or owns a significant percentage of shares or stocks in another company or another entity involving in an activity similar to company or its group activities'.
2. A Board member accept a company's board membership competing with the company or its group, or assuming the management of a competing sole proprietorship or company whatever its form, with the exception of the company's affiliates.
3. A Board member accept a committee in a company competing with the company or any other company in its group.

4. The member obtains a commercial agency or a like, whether apparent or hidden, for a company or other facility competing with the company or its group.
5. A member receives financial compensation in consideration of providing consultations to another company competing with the company, meaning that the nature of its business and activity is similar to one of the activities of the Saudi Paper Manufacturing Company.
6. A member uses his knowledge or influence on any of the company's clients or any other company in its group, suppliers or consultants for the benefit of any company or person working for the benefit of a company competing with the company.

6- Standards for competing business activities

the business competing with the company is any business related to the basic activities of the company stipulated in the company's bylaws or/and its subsidiaries.

7- Evaluating the competing businesses

The Board of Directors shall verify whether a Board member or a member of one of its committees is competing with the business of the company or one of its subsidiaries by evaluating the following:

1. If the business is within or outside the territory of the company's operations and/or its subsidiaries.
2. If competing business practices would prevent the member from caring for the company's interests.
3. If his engaging in competing business may significantly affect his role as a member of the company's board of directors or one of its committees.

8- Controls of Competing the Company

If a Board member or a member of one of its committees wishes to involve in business that would compete with the company, or compete thereof in one of the branches of the activity it practices, the following shall be taken into account:

1. To notify a board of directors of the business directly or indirectly competing with the company that he wishes to practice, and to record such notification in the minutes of the board of directors meeting.

2. The member with an interest may not participate in voting on the decision issued in this regard by the Board of Directors, its committees, and the shareholders' assemblies.
3. Having verifying by the board of director as set forth herein, the Board of Directors shall inform the General Assembly, when it convenes, of the competing activities practiced by a member of the Board or a member of one of its committees, provided that these business should be verified on an annual basis.
4. Obtaining a license from the company's general assembly allowing the member to practice competitive business. The Ordinary General Assembly has the right to delegate licensing power to the Board of Directors, provided that the General Assembly's decision specifies the competing businesses and activities that the Board may authorize during the delegation period. The Board Member may not vote on the authorization and cancellation of authorization clauses in the Ordinary General Assembly.
5. The authorization period referred to in Paragraph (4) of this clause shall be a maximum of one year from the date of approval by the Ordinary General Assembly or until the end of the session of the delegated Board of Directors, whichever is earlier.

9- Refusal to grant an authorization to involve in competing works

If the General Assembly or the Board of Directors, by authorization of the Ordinary General Assembly, refuses to grant an authorization to a member of the Board of Directors to engage in business that would compete with the company or any of its subsidiaries, then the member of the Board of Directors shall submit his resignation within a period specified by the General Assembly or the Board of Directors if the Board is authorized by the General Assembly, otherwise his membership in the Board will be considered terminated, unless he decides to abandon competing the company or adjust his situation in accordance with the Companies Law and its executive regulations before the expiration of the period specified by the General Assembly or the Board of Directors if authorized.

10- Governance of standards and controls

The Remuneration and Nominations Committee shall responsible for reviewing these controls and standards on a periodic basis and evaluating their effectiveness to realize its objectives.

11- Final Provisions (Review, amend and publish these standards)

1. This policy shall be applied and abide to by the company as of the date of its approval by the General Assembly of Shareholders. This policy shall be published on the company's website to enable shareholders, the public and stakeholders to view it.
2. This policy shall be reviewed periodically, when needed , by the Remuneration and Nominations Committee, and any amendments proposed by the committee shall be presented to the Board of Directors, which studies and reviews the proposed amendments and recommends them to the General Assembly of Shareholders for approval.



المجموعة السعودية للورق
SAUDI PAPER GROUP

Dividend distribution policy at the Saudi Paper Manufacturing Company

Reference

The “Dividend Distribution Policy” is prepared by the Board of Directors of the Saudi Paper Manufacturing Company in complying with the corporate governance regulations issued by the Board of the Capital Market Authority pursuant to Resolution No. 8-16-2017 dated 16/05/1437 H corresponding to 13/02/2017 Amended by Capital Market Authority Board Resolution No. 8-5-2023 dated 25/06/1444 H corresponding to 18/01/2023. The words and phrases contained herein shall have the meanings given to them in the relevant Capital Market Authority regulations unless the context requires otherwise. This policy aims to ensure that the process of determining and distributing dividends in the company is clear, transparent, and achieves the interests of the shareholders of the Saudi Paper Manufacturing Company.

Announcing dividends

1. The company shall announce dividends based on its quarterly and annual financial results, as appropriate.
2. Having approval by the General Assembly, or by a decision of the Board of Directors after authorizing it to distribute interim dividends, the dividend distribution announcement issued by the company shall include the dividends amount and the method of payment.
3. The dividend announcement shall include the following:
 - a. The type of shares on which dividends will be distributed.
 - b. Distributing dividends per share
 - c. Dividend payment period
4. Dividend distribution shall be announced in accordance with the applicable laws and regulations and in accordance with the company's bylaws.
5. The company may not announce dividends distribution if it is financially default or in the event of bankruptcy, or if this would lead to default or bankruptcy.

Sources and amounts of dividend distribution

1. The company's annual net profits shall be distributed after deducting all general expenses, other costs and allocations, including zakat, allocations and other reserves, and are distributed to shareholders as follows:

A percentage of no less than 5% of the company's paid-up capital shall be distributed to shareholders in accordance with percentage proposed by the Board of Directors

and decided by the General Assembly. If the remaining percentage of profits due to shareholders is not sufficient to pay this percentage, shareholders may not demand payment in the following year or years. The General Assembly may not decide to distribute a percentage of profits greater than percentage proposed by the Board of Directors.

2. The amount of distributions for ordinary shares shall be determined based on the recommendations of the Board of Directors and may not exceed this amount.
3. The ordinary dividend per share will equal the total dividend divided by the number of company's ordinary shares.
4. After fulfilling the controls contained in the bylaws and obtaining an annual authorization from the General Assembly, the company may distribute interim dividends to its shareholders on a semi-annual or quarterly basis.

Shareholders who are entitled to receive dividends

The shareholder is entitled to his share dividends in accordance with the General Assembly's decision issued regarding the dividend's distribution to shareholders or the Board of Directors' decision requiring the distribution of interim dividends. Entitlement to dividends shall be to the shareholders registered in the shareholders' registers at the end of the day specified for entitlement, provided that the decision shall be implemented in accordance with the controls set by the Capital Market Authority.

Payment of the announced dividends

1. The start date for disbursing annual dividends shall be within a period not exceeding 15 days from the specified maturity date.
2. The company shall continue to pay the announced dividends for the shares whose owners did not received them during the announced period.
3. No interest is charged on dividends that are not claimed or not received by the relevant shareholder.
4. The company's investor relations shall undertake the preparation and coordination necessary for the payment of dividends.
5. The company shall communicate shareholders with the date, place, and procedures for paying dividends by publishing this information using the followed publishing methods including the market's website, or by sending registered letters to shareholders according to their addresses registered in the shareholders' register, or on the company's website.

6. The cash dividends scheduled to be distributed to shareholders shall be deposited in their accounts linked to their investment portfolios. The shares granted shall be deposited in the shareholders' investment portfolios after announcing thereof on the financial market's website.
7. For the purpose of organizing and completing the process of paying dividends, the company may seek the assistance of an external party such as banks.

Distribution of interim dividends during the financial year

The Board may distribute interim dividends to shareholders of the Company on semi-annual or quarterly basis after satisfying the following requirements:

- a. The Ordinary General Assembly is authorizing the Board to distribute interim dividends under a resolution that is renewed annually.
- b. The Company must, as per the latest audited financial statements, have distributable profits that are sufficient to cover the profits proposed to be distributed after deducting the amount distributed and capitalized from such profits after the date of the financial statements.
- c. That the profits realized during the various periods of the fiscal year were based on the same accounting principles used by the company, and that the possibility of maintaining these profits until the end of the company's fiscal year is a highly reasonable possibility.
- d. The company's financial position and available liquidity allow this distribution to be made.
- e. The company's board of directors shall include in its annual report submitted to the company's general assembly the percentage of dividends distributed to shareholders during the various periods of the year, in addition to the percentage of profits proposed to be distributed at the end of the year and the total of such profits.
- f. The profits shall be entered in profit account realized during the period or account of accumulated profits from previous years, or both. The company shall observe the sequence and regularity in the method and ratios of distributing profits according to the capabilities and liquidity available to the company. The Board of Directors shall disclose and announce the percentages of regular periodic profits that are decided to be distributed to shareholders on time so that shareholders are aware and informed of them.
- g. When the decision to distribute profits is made by the Board of Directors, the company shall disclose and announce it as soon as the decision is made and to provide the Authority with a copy of it immediately upon its issuance.

Capitalization issuance

1. The company may increase its capital by issuing capitalization, in such a case, it shall submit a letter to the Authority containing the information that must be included in the application for issuing capitalization in accordance with the laws and regulations of the financial market.
2. If the Capital Market Authority approves an increase in the company's capital through a capitalization issue, the General Assembly's approval shall be obtained within six (6) months from the date of the Authority's approval. If the General Assembly's approval is not obtained within such period, Authority's approval shall be considered canceled and the company must resubmit its application to the Authority again.

Final Provisions (amendment and publishing)

1. This policy shall be applied and abide to by the company as of the date of its approval by the General Assembly of Shareholders. This policy shall be published on the company's website to enable shareholders, the public and stakeholders to view it.
2. This policy shall be reviewed periodically, when needed , by Board of Directors whom will study and revise the proposed amendments and recommend thereof to the shareholders General Assembly for approval.